

**Nottingham Budget Committee
Meeting Minutes
January 5, 2017**

Members Present: Jennifer Biron, Anthony Dumas, Suzanne Edin, Miska Hadik, Michael Koester, Carrie Lee, Tiler Eaton – BOS Rep, Jackie Snow – School Board Rep

Excused Absences: Jeff Wheeler

Other in Attendance: Secretary Dawn Calley-Murdough, Town Administrator Chris Sterndale, Robert Gadomski, Marjorie Whitmore, Chris Sousa, Susan Levenson, Michelle Jeannotte, Rose Dawson

Chair Dumas called the meeting to order and asked all those present to stand for the Pledge of Allegiance.

Review of Budget RSA's and Rules: Ms. Edin reviewed RSA 32:32 Initiation of Removal Proceedings from an official town position. RSA 32:22 that requires governing bodies and town officials to provide any information the Budget Committee may want, within reason. RSA 32:24 Other Committees that allows for towns to have any type of advisory committee, with or without an official Budget Committee. RSA 32:25 Biennial Budget to allow the change to a two year budget cycle. RSA 32:26 Procedure for Adoption (of Biennial Budget) explains how a town can adopt the two year budget cycle.

Mr. Koester reviewed the statutes relating to the Capital Improvement Program; RSA 674:5 Authorization to Adopt a CIP committee, RSA 674:6 Purpose and Description of the committee, RSA 674:7 Preparation provides instructions for preparing a plan, and RSA 674:8 Consideration by Mayor and Budget Committee based on recommendation by the CIP Committee. Mr. Koester reported the NHMA had a good article on the CIP process by Christine Fillmore.

Town Updates/2nd Draft Budget Review: Chair Dumas reported that Mr. Sterndale would provide the remaining information regarding the 2nd draft town budget, as the December 29, 2016 Budget Committee meeting had been cancelled due to weather.

Mr. Sterndale stated any questions for department heads can be asked, or emailed at any time for answer. The 2nd draft is very similar to the 1st draft, and is approximately \$8,000.00 lower than the 1st draft. The 2nd draft budget includes a only a draft amount for warrant articles; the Selectmen will continue their review of warrant articles at their next meeting. However, the warrant article list is very similar to the prior year list. The 2016 expenditures were almost through the end of the year and include some items there were originally proposed as purchases for 2017, such as a new PC for office staff, and police equipment. Other accounts that were reduced were the Executive Equipment and a more final Worker's Comp amount was received.

Ms. Snow asked for a review of the current warrant articles. Mr. Sterndale stated there will be the recurring Highway Vehicle and Fire Vehicle reserve funds, funds for the 2020 revaluation, HVAC reserve fund, 300th birthday fund, invasive species fund, among others. There might also be an article for solar power, purchase of a new ambulance from the ambulance fund, and requests for possible road acceptance.

Mr. Sterndale reported on and discussion took place regarding the unknown income and expenses relating to the possible upcoming sale of the USA Springs Property, including the sale of a cell tower easement.

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Mr. Sterndale reported the town has agreed to a property tax abatement settlement with Fairpoint regarding concerns with the assessment of utility poles and conduits, with a mostly positive result for the town.

Ms. Snow asked about the proposed fire truck purchase. Mr. Sterndale reported the Fire Chief made the decision to withdraw a request in 2017 because he felt the price increased too significantly; the department will re-evaluate their plan for a new vehicle and have a budget plan for 2018. Discussion took place about possible grants for the Fire Department, with lower expectations to receive monies for a quint but funds possibly for breathing apparatus. There will be a 2017 warrant article to request \$100,000.00 for the Fire Vehicle Capital Reserve Fund, providing a much larger reserve account to pull from when it is time for a purchase.

Chair Dumas asked if the Fire Department decision to hold off the purchase of a fire truck will take reserve funds that were meant for another vehicle. Mr. Sterndale reported it wouldn't, because the plan was to use 2016 reserve monies for the purchase of the quint, if it had been approved, and reduced future reserve funds while making the bond payment. The intent was to have an annual amount of \$100,000.00 split between the bond payment and reserve account, until the bond was paid. If the 2017 reserve amount is approved, it will increase the amount available to put toward a future vehicle, lowering the bond amount that will need repayment.

Ms. Biron asked if there would be additional expenses included in the 2016 final totals. Mr. Sterndale stated additional amounts will be included by the next presentation.

School Budget Final Draft: Dr. Gadomski reviewed the handouts and stated he would review those items in the budget that changed from the prior draft.

Teacher Salaries were reduced by \$8,000.00 due to a retirement plan, which include additional reduction to the corresponding FICA and Retirement expenses.

The amounts for tuition shifted with an approximate increase of \$80,000.00 to the Tuition – Dover & Other Public School with a shift in the proposed number of students indicating they will attend Dover High School. Tuition – Coe Brown was reduced by an approximate \$45,500.00 and the Tuition – Anticipated Move-Ins account was increased by the same amount to try and reflect the plan of where home-school students might go to school.

Special Education Tuition – Preschool was reduced by \$21,851.00 to correct a calculation error.

Guidance Enrichment was reduced \$2,000.00 and Guidance Dues and Fees was reduced \$2,008.00 because grant monies were found.

Replacement of Furniture (Library) was reduced by an approximate \$7,000.00. The decision was made for Library Furniture to put purchases on hold until more details and information can be received about the newer curriculum and the direction the school will take the library.

Discussion took place about the purchase of furniture and how it works with the CIP purchases and proposals, and trying to balance the needs versus curriculum changes, which are considered a lower priority than other needs.

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In Operation and Maintenance of Plant the Replacement of Equipment was reduced \$7,371.00 and Replacement of Furniture was reduced \$4,000.00; a decision was made to hold off purchasing a floor scrubber and extend the life on some of the existing equipment and furniture.

Dr. Gadomski reported the grand total proposed 2017/2018 school budget was \$11,980,039.00. This is an increase from the prior draft of \$24,464.00.

Ms. Whitmore reviewed a highlighted list of budget related items/changes to the 2017/2018 budget, many of which are out of the control of the school, School Board or SAU. This includes the salary step increases for teachers, health insurance rates, NH Retirement rates, high school tuition rates, and transportation increases.

Mr. Dumas asked about the decrease of transportation. It was stated one bus for 2017/2018 was removed based on a review of which school students will attend, as well as for other adjustments. Ms. Levenson also reviewed the steps the bus company took to return funds for the missing bus in the 2016/2017 school year, due to a shortage of drivers and inability to find a replacement. Ms. Snow reported it is an annual 3% contract increase amount for the bus company for the life of the contract. General discussion took place about bussing students. Nottingham pays by the bus, not the number of riders, and it is a struggle for the School Board to balance the number of buses and trying to prevent students from being on the bus for a long period of time.

Ms. Whitmore reviewed the difference between the amounts as presented in the budget worksheets and the final approved budget, once the approved warrant article amounts are included: such as the paraprofessional salary increases. Discussion has taken place between the School Board and the SAU about how best to present that information, however due to limitations with the accounting software a decision was made to not include any of the warrant articles in the budget worksheets. Completing a separate calculation indicates there is an actual 4.7% increase versus the 5.4% as indicated on the worksheets. Ms. Levenson provided additional information about how the School Board wanted to reflect the amounts also approved for capital reserve funds that are taken from the year end surplus of monies not spent during the current school year.

Dr. Gadomski reviewed the warrant articles. All articles were recommended appropriations by the School Board with a vote of five in favor.

Article #2 is for the operating budget of \$11,980,039.00 and the alternate default budget of \$11,966,460.00.

Article #3 is the cost increases for the new Collective Bargaining contract with the teachers.

Article #4 is the cost increases for the new Paraprofessional contract. Ms. Snow reviewed the work completed on the paraprofessional contracts, stating specific information can be reviewed in the summary page.

Chair Dumas asked about the significant increase from year one to year two of the para contract. Dr. Gadomski stated it is adjustments in the amount offered for health insurance. Ms. Levenson reported the School Board wanted to try and increase starting salaries for para's to bring the salary amounts to a similar amount of surrounding communities.

Article #5 is to add \$25,000.00 for the Building Repair Capital Reserve Fund.

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Article #6 is to raise \$25,000.00 for the Grounds Improvement Capital Reserve Fund.

Article #7 is to raise \$20,000.00 for the Text Book Capital Reserve Fund.

Article #8 is to convey a utility easement between Eversource and a school abutter.

Ms. Snow stated the School Board made the decision to eliminate appropriating any funds for the Special Education Capital Reserve Fund. Ms. Levenson stated the School Board is making an effort to add monies to the Building Repair/Maintenance CRF without going overboard with the amount, keeping a balance between the reserve funds and the operating budget.

Ms. Snow reviewed the changes to the new agreement with the Paraprofessional Association, which included updates to the wage schedules, holidays, differential pay, as well as other non-financial changes. It was stated the additional financial requirements for the Paraprofessional Association is listed in Warrant Article #4; the additional financial requirements for the Teacher's is listed in Warrant Article #3.

Dr. Gadomski reminded members that the preliminary estimated tax rate is only an estimate because the school won't know what is returned to the school until the end of the school year in 2017.

Ms. Whitmore reviewed the anticipated revenues for 2017/2018 with a total estimate of \$243,009.00, the NH Adequacy Grant of \$1,519,320 and the NH Education Tax portion at \$1,302,005. Ms. Whitmore stated based on the proposed 2017/2018 budget and 2017 estimated revenues the estimated 2017 school tax rate would increase by \$1.62 if only the operating budget is approved, or \$1.74 for the operating budget and warrant articles, if everything is approved.

Mr. Sousa stated the school Vision Statement is where the school starts when they start work on the school budget, reviewing the information presented in the budget proposal overview and information document. The document explained why the school proposed certain budget items over others and the approach the school took to consider the existing education plans (ex: technology) and balancing the amounts requested in the budget. Ms. Sousa stated the amount paid to teachers as a stipend for work they complete in the summer is only a small return on the actual number of hours the teachers willingly give to work on professional development and establishing positive and well run student classrooms, student programs, and special needs for students. The donations from the PTA, among others has provided a lot of positives for what the school can do and offer students.

Ms. Levenson stated the School Board is trying to do more community outreach to help adults help their children with the changes in the world. Dr. Gadomski reported the school districts try to work together to share resources and activities to try and reduce the financial impact the special activities they offer.

Dr. Gadomski reported the School Board is continuing to discuss the idea of using the impact fees for installation of modular buildings to address student attendance, as well as considering full day kindergarten.

The Budget Committee members thanked the SAU and School Board for attending the meeting.

Approval of Minutes

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Motion: by Mr. Hadik, second by Ms. Snow to approve the December 15, 2016 minutes as amended.

Vote: 8 in favor; 0 abstained

OTHER BUSINESS: Chair Dumas reported he spoke with the NHMA about the definition of a quorum is based on the total number of seats, even if two of those seats are vacant. The email providing the answer will be sent to all committee members. Discussion took place about membership and the number of positions on the upcoming ballot.

Mr. Koester asked if the other department heads would come to the committee in replacement of the missed/snow meeting; such as the Fire Department. Mr. Koester thanked the Chair for his decision to cancel the prior meeting due to the snow storm.

Mr. Eaton provided copies of information regarding his statute review materials.

Town Updates: Mr. Eaton stated the town is still looking for a full time seasonal plow driver and Recreation is looking for a new Assistant Director. The Police Department new hires are expected to start the academy in January. A public request was received to provide budget documents as an excel spreadsheet versus a PDF, and work is taking place to provide the information. The Selectmen made the decision to send out a postcard to all households to try and raise interest in having people sign up for the upcoming vacant position and may consider other options if there isn't enough interest or people who signed up.

ROUNDTABLE: Ms. Snow thanked everyone for their participation and their good questions.

Ms. Lee thanked the SAU for the good information and good notes provided with the budget.

ACTION ITEMS: NONE

ADJOURNMENT: Having no further business,

9:24 PM Motion: by Ms. Lee, second by Mr. Eaton.

Vote: 8 – 0 in favor.

Respectfully Submitted,

Dawn Calley-Murdough